

REMARKS

I. Status of the Claims

Claims 5-28 have been canceled. New claims 29-44 have been added and are now pending. The Examiner's previous claim objections are rendered moot by this amendment. Support can be found in the specification as-filed for claims 29, 34, and 40-41 at pages 2, 4-5 and FIG. 1 (values purchased as smart cards, not B2B (bank to bank) basis by credit cards, letters of credit, transfers, direct debit, etc., or bank checks and without disclosing personal information, such as social security number); for claims 30 and 43 at page 7, 9 (ISV encrypted on the card in varying denominations); for claim 31 at page 7 (conveniently purchased by shoppers); for claim 32 at pages 7-9 (users sign up for internet account and load values into e-account managed by third party); for claim 33 at pages 9-10 (links created between merchants and third party server and terms of service pre-arranged with third party provider); for claim 35 at page 9 (instantaneous medium of business); for claims 36-39 at page 9 (crediting and debiting of e-account); for claims 42 and 43 at page 3 (retail purchases below \$10 not discouraged); and for claim 44 at pages throughout specification relating to known smart card technologies. No new matter is introduced by this Amendment.

II. Rejections Under 35 U.S.C. § 103

Applicant's previous claims 5-28 were rejected as allegedly obvious over U.S. Published Application Nos. 2002/0055911 ("Guerreri"), 2002/0026418 ("Koppel"), and 2004/0002918 ("McCarthy"), alone or in combination. Applicant traverses and disagrees with these rejections for at least the following reasons.

"[W]hen the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention

was made to a person having ordinary skill in the art to which said subject matter pertains,” then a *prima facie* case of obvious is made. *KSR Int'l. Co. v. Teleflex Inc.*, 127 S.Ct. 1727 (2007). No *prima facie* case of obviousness has been made in this case, because there are non-obvious differences between the teachings of the references cited and the claimed subject matter. None of the references, alone or in combination, teach or suggest performing on-line payment transactions between merchants and shoppers facilitated by a third party payment solutions merchant, who is capable of completing the transaction without a credit card, debit card, or bank account. Also, none of the references alone or in combination, teach or suggest the creation of personalized online shopper electronic accounts in a third party payment solutions merchant's database and funding the accounts by transferring value(s) from pre paid smart cards made of paper or plastic.

The present invention allows for payments from an e-account maintained in the servers of a third party payment solutions merchant to be made by a user online at any time at participating merchant websites without disclosing personal or confidential information. Anytime an on-line transaction involves disclosure of confidential information (credit card numbers, bank account numbers, etc.), even if access is limited, there is a risk that the confidential information may eventually be compromised. In the claimed systems and methods of the invention, there is no need for users to disclose the user's confidential information under any circumstances because the on-line payment transactions do not use credit cards, debit cards, or bank accounts.

Further, although the Examiner has not satisfied her burden of presenting a *prima facie* case of obviousness and the burden of proof has not yet shifted to Applicant to negate obviousness, Applicant provides evidence of secondary considerations. Applicant fulfills several long-felt but unsolved needs in the on-line marketplace: the need for electronic payment

transactions that do not require disclosure of a user's confidential information and a mechanism for individuals to be able to make on-line purchases without a debit card, credit card, or bank account. Simply, users can purchase "smart cards" in any denomination or currency issued by a third party entity and sold at any location (for example, gas station). Armed with a pre paid smart card, a user can log in to a third party payment solutions merchant website, create a onetime personalized electronic account, enter the value on the smart card on to specified fields, and with the click of a mouse have the value on the smart card credited to the user's electronic account. Registered online shoppers under this system can pay for purchases from the personalized e-accounts at participating merchants' sites with the click of a mouse, and fund the accounts by purchasing and loading more pre-paid smart cards issued by a third party payment solutions merchant to credit the accounts without disclosing personal and confidential information, such as bank account, social security, and credit card numbers.

Online merchants may also create onetime personalized electronic accounts with the third party payment solutions merchant, accept this payment option on their websites and, the merchants' electronic accounts are credited when shoppers click on the logo of a third party payment solutions merchant without disclosing personal and confidential information, such as bank account, social security, and credit card numbers to pay for goods or services using the method envisioned by this invention, and, are debited when the third party payment solutions merchant pays the online merchants on behalf of registered online shoppers. The third party payment solutions merchant acts as an intermediary between registered merchants and prospective online shoppers. This type of system provides for more confidence in purchasing over the internet and gives those who may not have been able to participate in on-line purchasing

the opportunity to finally do so. Both of which are long-felt but unsolved needs, which must not be overlooked.

Accordingly, Applicant requests withdrawal of the 35 U.S.C. § 103 rejections and the timely allowance of all pending claims.

V. **Conclusion**

In view of the foregoing Amendment and Remarks, Applicant submits that this application is in condition for allowance and requests entry of this Amendment, the Examiner's reconsideration and reexamination of the application, and the timely allowance of all pending claims. If necessary, extensions of time are authorized and any required fees may be charged to Deposit Account No. 50-3740.

Respectfully submitted,



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